

BARR PHARMACEUTICALS, INC.

Compensation Committee Charter

(subject to change at any time in the discretion of the Board of Directors)

1. Purposes

The principal purposes of the Compensation Committee (the “Committee”) are to discharge those responsibilities of the Board of Directors of the Company (the “Board”), relating to the compensation or employment of officers, directors, employees and consultants, that are delegated to the Committee, and to advise the Board with respect to those Board responsibilities relating to the compensation or employment of officers, directors, employees and consultants that are not delegated to the Committee. In carrying out its responsibilities, the Committee shall seek to achieve the Board’s ultimate objective of providing the Company with compensation and employment arrangements that will attract, retain, motivate and reward key personnel, are externally competitive and internally equitable, and appropriately based on and reflective of performance. The Board recognizes that the compensation and employment of officers, directors, employees and consultants is a complex matter that is profoundly important to the Company and its shareholders, and believes that many of the Board’s responsibilities with respect to the compensation and employment of such persons can be most effectively discharged by a Board committee that focuses on those issues regularly and thereby acquires a familiarity and expertise with the subject matter that may be impractical for the full Board to achieve.

2. Membership

The Committee shall consist of three or more members of the Board, each of whom has been determined by the Board to be “independent” in accordance with applicable rules of the New York Stock Exchange. Each member of the Committee shall be an “outside director” within the meaning of Section 162(m)(4)(C)(i) of the Internal Revenue Code and a “non-employee director” within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, unless the Board makes an exception in a specific case. The Board shall appoint each member of the Committee annually, subject to removal at any time by the Board, with or without cause. Each Committee member shall serve until his or her Committee service is terminated by the Board or by the member’s resignation. The Board shall designate one member of the Committee to convene and chair all sessions of the Committee, and set agendas for the meetings (the “Chair”).

3. Meetings and Procedures

The Committee shall meet as often as it may deem necessary or appropriate, either in person or telephonically, and at such times and places as the Committee shall determine in accordance with applicable law and the Bylaws of the Company. Meetings may be called by the Chair of the Committee, unless the Chair is unavailable, in which

case by the Chairman of the Board or any two members of the Committee. Each member of the Committee shall be notified of each meeting. The presence in person or by telephone of a majority of the members of the Committee shall constitute a quorum for the transaction of the Committee's business. The Committee may act only upon approval of a majority of the members of the Committee. However, the Committee shall have authority to create and delegate specific responsibilities to such standing or ad hoc subcommittees as it may determine to be necessary or appropriate for the discharge of its responsibilities, provided that the subcommittee contains at least the minimum number of Board members to meet any regulatory requirements. Any such delegation may be revoked by the Committee at any time. The Committee may also act by the unanimous written consent of its members. To the extent practicable, the meeting agenda, draft minutes from the prior meeting and supporting materials shall be provided to members of the Committee prior to each meeting to allow time for review. The Committee shall meet in "executive session" without the presence of members of management at such times as the Chair may direct or as may be requested by a majority of the Committee members in attendance. Any member of the Board who is not a member of the Committee may attend any Committee meeting with the concurrence of the Chair or a majority of the Committee members in attendance. The Committee shall report regularly to the full Board with respect to its activities.

4. Principal Responsibilities

a. **Determine CEO Compensation.** The Committee shall have direct responsibility to review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives, and together with all of the independent directors, determine and approve the CEO's compensation level based on this evaluation; and

b. **Determine Other Senior Officer Compensation.** In consultation with the CEO, the Committee shall make the same determinations with respect to the Company's other officers at or above the level of Senior Vice President; and

c. **Determine Compensation of Other Officers and Executives.** In consultation with the CEO and such other officers of the Company as the Committee deems advisable, the Committee shall also determine the salaries and bonuses to be paid to the Company's Vice Presidents and non-officer employees reporting directly to them. The Committee may delegate this responsibility to the CEO or other officers and may rely upon the recommendations of the CEO or any other officers in determining the salaries and bonuses to be paid to non-officer employees reporting to persons below the Vice President level; and

d. **Adopt Compensation and Benefit Plans.** The Committee shall adopt such compensation, incentive compensation, fringe benefit and employee benefit plans and arrangements for the Company's officers, directors, employees and consultants as the Committee may deem advisable, and shall amend and terminate such plans and arrangements in accordance with their terms. However, if the adoption, amendment or

termination of any such plan or arrangement requires full Board or shareholder approval, or will have a material effect on the Company from a financial standpoint, or affects the compensation of non-employee Board members, the Committee shall have direct responsibility to make recommendations to the Board with respect to the adoption, amendment or termination of such plan or arrangement.

e. **Administer Plans.** The Committee shall fulfill the responsibilities of the Committee under the Company's Stock and Incentive Award Plan and other incentive, compensation, fringe benefit or employee benefit plans and arrangements, subject to the terms and conditions of such plans and arrangements. The Committee's responsibilities shall include, where applicable, to determine whether and when to grant awards under the plan, determine the persons who shall receive such awards, determine the type and size of the award, determine the terms and conditions of the award, interpret the terms and conditions of the plan and any awards made thereunder, and make other determinations necessary for the administration of the plan.

f. **Oversee Employment Contracts.** The Committee shall review and approve any contractual arrangements between the Company or its subsidiaries and any officer, director, or former officer or director of the Company or its subsidiaries, relating to the employment, severance, retirement or compensation of such person, including but not limited to change in control arrangements and deferred compensation arrangements.

g. **Engage Executive Compensation Consultants.** If a compensation consultant is to assist in the evaluation of director, CEO or senior executive compensation, the Committee shall have sole authority to retain and terminate the consulting firm, including sole authority to approve the firm's fees and other retention terms.

h. **Produce Compensation Committee Report.** The Committee shall have direct responsibility to produce the compensation committee report on executive compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

i. **Review Committee's Performance and Charter.** The Committee shall conduct an annual evaluation of its performance, and from time to time shall review this Charter and recommend any changes it may deem advisable to the Board.

j. **Other Responsibilities.** The Committee shall have such other responsibilities as the Board may from time to time assign to the Committee.